

Message Text

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ACTION EB-11

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FM AMEMBASSY LIBREVILLE

TO SECSTATE WASHDC 5398

INFO AMEMBASSY ABIDJAN

AMEMBASSY PARIS

AMCONSUL CASABLANCA

C O N F I D E N T I A L LIBREVILLE 0556

E.O. 11652: GDS

TAGS: ETRN, BEXP, GB, US

SUBJ: PANAM NEGOTIATIONS WITH GOG

CASABLANCA FOR RCAA WHITMAN

REF: LIBREVILLE 0530 (NOTAL)

1. SUMMARY. PANAM REPS HAVE BEEN DISCUSSING WITH GOG POSSIBILITY PANAM MANAGEMENT CONTRACT FOR AIR GABON. PANAM REP TOLD EMBASSY COMPANY'S DECISION COULD BE EXPECTED WITHIN TWO WEEKS AND, IF FAVORABLE, FIRM PROPOSAL TO GOG WOULD BE MADE AT THAT TIME. END SUMMARY.

2. PANAM REPS HAMBLETON (DIRECTOR FOR INTERNATIONAL AFFAIRS, LOCATED WASHINGTON, D.C.) AND HASSAN WERE IN LIBREVILLE FOR A WEEK DURING WHICH THEY HAD SEVERAL DISCUSSIONS WITH EMBASSY AND VARIOUS GABONESE OFFICIALS, INCLUDING MINISTER OF STATE MBOUY-BOUTZIT AND MINISTER OF TRANSPORT NGOUBOU. VISIT WAS FOLLOW-UP TO MEETING IN NEW YORK BETWEEN PANAM CHAIRMAN OF THE BOARD SEAWELL AND MINISTERS MBOUY-BOUTZIT AND MOUKAMBI.

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3. PANAM-GOG DISCUSSIONS INVOLVED POSSIBILITY OF PANAM

CONTRACT FOR MANAGEMENT OF AIR GABON (ALONG WITH 10-15 PERCENT PANAM EQUITY IN COMPANY) WITH AIR GABON BECOMING INTERNATIONAL CARRIER WITH FLIGHTS TO EUROPE AND SOUTH AFRICA. AIR GABON PRESUMABLY WOULD AT SUCH TIME LEAVE AIR AFRIQUE ALTHOUGH IT ANTICIPATED THAT BOTH UTA AND AIR AFRIQUE WOULD CONTINUE TO FLY TO LIBREVILLE ON A SOMEWHAT REDUCED SCHEDULE. AIR GABON WOULD BE BOTH A DOMESTIC AND AN INTERNATIONAL CARRIER WITH GOG MAJORITY OWNERSHIP AND THIRD PARTNER (YET TO BE FOUND) HOLDING REMAINDER OF EQUITY.

4. PANAM REPS SAID THAT GOG REPS (PARTICULARLY MBOUY-BOUTZIT WHO DID MOST OF SERIOUS NEGOTIATING AND STATED HE SPOKE FOR PRESIDENT BONGO) WERE VERY INTERESTED IN HAVING PANAM TAKE OVER MANAGEMENT AIR GABON. MBOUY-BOUTZIT STATED FLATLY THAT GABONESE PRESIDENT AND MINISTERS HAD TRAVELED WIDELY AND CONVINCED AMERICANS HAD GREATEST EXPERTISE IN SUCH MATTERS. POINT WAS MADE BY GOG OFFICIALS THAT GABON NOT REPEAT NOT CLOSED PRESERVE OF ANY COUNTRY.

5. PANAM REPS TOLD EMBASSY THAT PANAM DEFINITELY INTERESTED IN PROPOSTION. HASSAN MADE TECHNICAL SURVEY WHILE HERE INCLUDING VISITS TO MOST OF GABON'S AIRPORTS. HE DID NOT REPEAT NOT CONTACT AIR GABON PERSONNEL AS GOG OFFICIALS WISHED TO KEEP MATTER CONFIDENTIAL AT MOMENT. QUERIES WERE, HOWEVER, ADDRESSED TO ASECNA AND EMBASSY BELIEVES FRENCH DOUBTLESS AWARE BY NOW OF WHAT IS GOIN ON OR WILL BE IN MATTER OF DAYS.

6. PANAM REPS TOLD EMBASSY (AND GOG) THAT, WHILE THEY WOULD PREFER TO SEE AIR GABON HAVE COMPLETELY HOMOGENEOUS FLEET, THEY PREPARED TO ACCEPT CURRENT HETEROGENEOUS FLEET INCLUDING TWO RECENTLY ORDERED FOKKER PLANES AND RECENTLY ORDERED DC-8, WHICH GABONESE TOLD THEM ABOUT, SHOULD LATTER DEAL MATERIALIZE. IN ADDITION TO EXISTING PLANES, PANAM REPS SAID THAT THEY TENTATIVELY ENVISAGED NEED FOR TWO OR THREE BOEING AIRCRAFTS: ONE 707, ONE 727, AND POSSIBLY ONE 737. IF PANAM CONTRACT MATERIALIZES AND IF DC-8 SALE GOES THROUGH, PANAM REPS STATED THEY WOULD BE WILLING TO TAKE OVER SERVICING THIS PLANE AS WELL ALTHOUGH THEY WOULD PREFER TO LEAVE IT IN HANDS OF UTA. PANAM'S PREFERENCE CONFIDENTIAL

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FOR BOEING OVER DOUGLAS BASED ON THEIR GREATER SERVICING CAPABILITIES FOR FORMER AIRCRAFT. PANAM REP TOLD EMBASSY PANAM WOULD HAVE NO DIFFICULTY IN FURNISHING A 727 AND COULD PROBABLY ALSO PROVIDE A 707 WITH A LITTLE JUGGLING OF HER CURRENT FLEET. THE 737, WHICH WOULD BE USED DOMESTICALLY, MIGHT TAKE A LITTLE LONGER TO OBTAIN.

7 IN SEPARATE CONVERSATION I HAD WITH FRENCH

AMBASSADOR, LATTER STATED THAT IT WAS OBVIOUSLY ONLY
A MATTER OF TIME BEFORE AIR GABON LEFT AIR AFRIQUE AND
SET UP ITS OWN INTERNATIONAL AIRLINE. HE ADDED THAT
HE ASSUMED THAT UTA WOULD PROVIDE NEEDED BACKSTOPPING.

8. COMMENT: IF PANAM DECIDES NOT TO MAKE OFFER,
MATTER OBVIOUSLY CLOSED. IF PANAM DECIDES TO TAKE
FAVORABLE VIEW AND IF GOG ACCEPTS PANAM PROPOSAL, FRENCH
WILL CLEARLY BE UNHAPPY OVER WHAT THEY WILL VIEW AS
U.S. INROAD INTO AREA IN WHICH THEY HAVE SO FAR BEEN
PLAYING DOMINANT ROLE.
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